



Setting prices for service transaction charges for UBA and UCLL services

Submission | Commerce Commission

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Introduction

1. Thank you for the opportunity to comment on the Commission's service transaction charges consultation paper (**consultation paper**).
2. As noted in the consultation paper, we have previously questioned whether basing transaction charges on service company prices will meet the requirements of the Act. Transaction charges are a substantive issue for RSPs and end users and should be fully considered in the FPP process. The Act directs that these charges be priced using a TSLRIC methodology just as the recurring charges are. Therefore, while the individual value of each specific transaction charge may be small relative to a recurring monthly access fee, a similar process should be followed, and a similar amount of effort expended, in reaching the best approximation of the efficient forward-looking cost for the activity.
3. The Commission is not tasked with calculating the cost to Chorus of transaction charges, or the cost of transaction charges on Chorus' actual network. It is tasked with calculating the efficient transaction costs for an efficient operator's network. The difference will represent the efficiency enhancements an efficient operator using modern technologies would enjoy. In undertaking this exercise, we recognise the allure of simply accepting that Chorus' third-party field force model already captures this efficiency. We believe that would be overly simplistic: the pass-through model adopted by Chorus, and the unavoidable link between this model and Chorus's actual network precludes that conclusion.
4. In this submission we:
 - a. Propose that the Commission take a broad approach to the review. The Act requires the Commission to review the parts of the determination (i.e. D611 and D609) that relate to the price to be paid for the service. It is not constrained to a sub-set of transaction categories, and a constrained review of such a sub-set would create risks of double recovery and a legislative lacuna whereby transaction charges not reviewed are unable to ever be reviewed again;
 - b. Propose that the Commission should aim to eventually set all charges using bottom-up modelling, but recognise that – where there are insurmountable practical and time challenges which preclude this – it should apply an efficiency adjustment to existing service company charges;
 - c. Request that the Commission require sufficient information provision and transparency from Chorus in the levying of transaction charges to enable retail service providers to understand, and assure the accuracy of, those charges;
 - d. Agree that the Commission can, and should, merge categories of charges where they are based on the same or substantially similar activities; and
 - e. Agree that the Commission can and should make provision for “bulk” rates which account for efficiencies of scale.

The FPP should establish all transaction charges

Question 1: Do you agree that in the FPP determinations the Commission can only set prices for the transaction charges for which it set prices in the IPP determinations?

Question 2: Do you agree that the list of charges in the Appendix is the complete list of charges for which the Commission is setting prices in the FPP determinations?

The Commission should review all prices in the STDs

5. We believe the Commission is entitled to take a broader perspective to setting FPP prices and is not limited to the existing transaction charges. Section 42(1) of the Act provides that:

*If a determination is made under section 27 or section 30M regarding the price payable for a **designated access service**, a party to the determination may apply for a review of that part of the determination that relates to the price to be paid for the service. (our emphasis)*

6. At one level the Commission's initial view is correct – the FPP process is a review of the prices it set using the IPP for the UBA and UCLL standard terms determinations. But the FPP is a completely new pricing review determination process, pursuant to which a completely different pricing methodology used to determine prices for the designated access service. This is not a second look at the way in which the IPP was conducted, or some kind of correction of the IPP prices or methodology. It is a wholly new process for determining prices for the designated access services under a completely different methodology. In that sense it is a reset of pricing of all the services described in the standard terms determination (**determination**) and not a review of the prices set in the respective benchmark review decisions (**decision**).
7. The Commission exercises its discretion when setting the price for a designated access service. Among other things it uses its discretion to set not just one, but multiple prices and multiple services within the designated access service. At this level, when a price review application is before the Commission, it follows that the prices to be reviewed are potentially all or any of the prices for the designated access service. We interpret section 42(1) as providing the applicants and the Commission with a broad discretion in regard to the prices under review and those the Commission sets for the designated access service.
8. Section 49 and 52 emphasise the Commission's discretion as to the elements of the service that may be priced. But this also constrains the Commission's discretion in regard to the pricing method that may be applied by requiring that prices for the designated access service be determined in accordance with the applicable FPP.
9. At another level it could be argued that the Commission is required to complete a review of all possible prices for the respective designated access services using the FPP methodology. If it does not do that, there may be no other way for a price to be set or reset if it is not provided for in the FPP determination and if it does not follow the applicable FPP methodology.
10. An analysis of certain sections of the Act support the view that the Commission should review all possible prices during an FPP review:
 - a. Section 30(P)(1)(a) provides that if the prices payable for the service have been determined in accordance with the FPP, then those prices must be included in the determination. We consider that this provision requires that once the FPP is set in motion all prices for that designated access service will need to be set in accordance with the FPP.

- b. It is only where no STD price (for the designated access service) has been determined in accordance with the FPP that the Commission is required (or entitled) to set a price in accordance with the IPP (section 30(P)(1)(c).
 - c. But where the prices for the designated access service have been determined under the FPP, there is no scope to set any of the prices using the IPP. Meaning that if one or more of the prices for the designated access service is not reviewed under the FPP there is no option to set the future price of a sub-set of the service using the IPP. And it will probably not be open to the Commission to set a FPP-based price now for some services while leaving in place prices determined using the IPP.
 - d. Neither section 30R price reviews nor residual terms determination powers appear designed to consider FPP prices which were knowingly left out of the FPP determination.
11. Finally, unless a price is set now using the FPP, there may be no scope for setting a new price using the FPP in future. Section 42(1A) provides that once a price is determined using the applicable FPP for the designated access service, then it is not possible to apply for another FPP review of the price for the service. This suggests that the power to set a future price using the FPP may be excluded when the determination has already been subject to an FPP.
 12. We also note that none of the provisions of sections 42 to 52 (insofar as they relate to FPP price review determinations) suggest that the Commission is limited to reviewing only prices previously set in the IPP decision.
 13. In other words, we consider that it is at least open to the Commission to review all possible prices for the designated access service using the applicable FPP. If that is not done now, there may be no opportunity to do so in future.

Changes to the list of charges in the consultation paper Appendix

14. We believe a broader approach will not create significant additional modelling work. In practice, an expanded review would likely only require the Commission to set higher capacity hand over and in home work prices. Given the forward-looking nature of the FPP modelling process, we believe the Commission will need to model high capacity handovers in any case (the clear market evidence is that these higher-capacity handovers are already becoming the default for many providers).
15. Further, as WIK note, a principles based approach would determine all relevant transaction charges in the FPP and not a subset of charges. Because the Commission is changing the price determination principle from benchmark to a cost modelled approach, the limitations of the benchmarking approach no longer apply.
16. We agree, the Commission should develop a model that captures all relevant transaction charges and costs. For example, UBA access seekers require hand over connections for the UBA service, i.e. these must be purchased to consumer the UBA service. Accordingly, hand over points are an integral part of the service and should be set through the FPP.
17. Accordingly, the consultation paper Appendix should be augmented to include all STD charges (our proposed list is attached as Attachment 1 (ancillary changes should be added to this list)) and additional items that reflect an efficient FPP network.
18. Further, we support the Commission merging some categories where it makes sense, i.e. where there is similar work and cost. Discussed in response to the Commission's question below.

Applying the FPP pricing principles

Question 3: Do you agree that when the Commission sets the prices for the transaction charges in the FPP determinations, it must apply the FPP of TSLRIC?

Question 4: How would you envisage this occurring?

19. We agree the Commission should apply the FPP pricing principles to transaction charges. This means setting prices that are:
 - a. The efficient forward looking costs;
 - b. Consistent with other requirements of the service description and the Act, i.e. section 4A and 4B; and
 - c. The prices that best give effect to Section 18.
20. The Commission needs to identify the costs incurred by an efficient provider and, as set out in previous submissions, these are the cost signals that would be observed in a competitive market. To assess these costs requires the Commission to identify a hypothetical efficient provider that takes advantage of modern technologies, all efficiencies and re-using existing infrastructure where it makes sense. In this sense, the transaction charges are little different to capital items in that the Commission is tasked with estimating the efficient forward looking costs of a scale operator, i.e. when operating at scale to meet all demand.
21. Chorus proposes that the Commission adopt its operating model and costs. However, this approach will overstate costs and results in inefficient prices and a significant wealth transfer from consumers to Chorus. The Commission's analysis should remain focused on identifying the costs of a hypothetical efficient provider rather than amending Chorus' current costs. We believe this is analogous to a counterfactual analysis undertaken by economists and in competition law.
22. This means that the transaction charges should:
 - a. Be based on a clear definition of work or activity for modelling and avoid ongoing disputes. For example, at the most recent dialogue, Chorus proposed to double the charge to install a splitter in the home from \$145 to \$284 per visit. This confusion should be resolved as part of the FPP review and the cost of the additional in home work should be established by the Commission;
 - b. Reflect the efficient forward looking costs to provide the service. As noted by WIK, the Commission needs to assess the costs of an efficient provider rather than simply adopt Chorus' operating model and cost;
 - c. Be consistent with model choices, i.e.:
 - i. Design and dimensions choices. An efficient network to carry forecast data growth would need to capture the costs of 10G hand over points necessary to efficiently carry data traffic (while the STD currently only provides for 1G hand overs, charges should be set on the basis of an efficient design);
 - ii. Demarcation of the network. In particular, connections to the network are currently charged as a transaction charge. For example, Chorus charges developer and customer connection charges to connect new dwellings to the network. These currently recover the costs of providing the infrastructure from the street to the dwelling (and, in the case of sub-divisions, for reticulation along

the street). Therefore, these assets should not appear in the asset valuation model; and

- d. Finally, the Commission should apply a sense check to ensure the cost model is producing outcomes consistent with desired FPP outcomes.

23. These principles are reflected in our proposed categories attached.

Setting efficient forward looking prices

Question 5: Are there any other options for determining the costs of providing the transactions?

Question 6: Which option should the Commission take?

See also Question 10 below regarding what is involved in providing each transaction and the associated costs.

24. Chorus has proposed that transaction costs reflect service company charges to Chorus. However, as the consultation paper notes, we have reservations that these costs are efficient and are, given the incentives on the parties, likely to be less efficient over time. A pass through model provides little incentive to focus on actual levels of cost and how these are incurred.
25. Spark applies significant resources to assure service company activity that is on charged to access seekers. For example, ensuring the correct code has been applied to charges (some codes charge to Chorus some to the access seeker such as a no fault found) and removing double ups (some faults impact multiple customers and, while the same, can result in cancelled fault tickets).
26. Therefore, to ensure efficient prices overall, the pricing model needs to deliver efficient prices per transaction. In other words, the price, volumes and nature of transactions actually charged to access seekers is equally important in determining effective transaction charges. The Commission should seek to put in place a model that encourages Chorus and access seekers to cross-check transactions and maintain pressure on costs.
27. The Commission has identified three options: a top down, bottom up and top down with cross checks.
28. As set out in the WIK submission, ideally the Commission would undertake a bottom up cost study in order to establish the efficient costs of providing transaction services. Transaction activities are common across different activities – i.e. predominantly technician time (discussed below) – and therefore a common model could be established.
29. However, we appreciate that this might be difficult in the time available to the Commission under current circumstances. As a pragmatic way forward, we support WIK's proposed approach to adopt existing prices and apply an efficiency adjustment to initial prices and over time.
30. Therefore, we recommend that the Commission:
 - a. Adopt the current IPP prices as the starting point;
 - b. Cross check these rates against other data sources – i.e. RSP data, Chorus negotiated service company prices for commercial activity, benchmark negotiated service company rates agreed with LFCs and raw cost data from service companies - and make any necessary adjustments for significant anomalies or efficiency. For example, as discussed

below, proposed records only transaction charges appear out of alignment with known costs;

- c. As WIK recommends, apply an ongoing efficiency price reduction to encourage Chorus and service companies to seek out efficiencies; and
 - d. Implement information requirements that would allow access seekers to assure bills and validate efficient charges. The purpose of the transparency requirements being to assure charges from Chorus and permit access seekers to monitor/identify inefficient prices and volumes. Information relating to service company time taken to undertake work or repeat calls will facilitate access seekers pushing back on inefficient charges. Attachment 3 sets out proposed transparency requirements relating to provisioning and fault related charges.
31. As a further step, the Commission should establish charges for a 10GigE hand over and in home work.

Updating transaction charges to better reflect efficient cost

Question 7: Do you agree that it is open to the Commission to merge some the transaction charges into other charges?

Question 8: Do you agree that the Commission is entitled to set bulk rates for UBA transaction charges?

32. We agree with the Commission's analysis. However, as noted above, we do not believe the Commission is limited to simply merging transaction charges that require similar work. The Commission has the discretion to amend all aspects of pricing set out in the STD. We believe this is necessary for the Commission to set efficient prices. In other words, if the Commission were to only update prices as transaction services are currently defined, there is the risk that the way the transaction service are defined drives an inefficient model and assessment of costs. This can't have been intended.
33. An expanded approach is unlikely to drive additional FPP work. The Commission plans to develop a comprehensive model reflecting an efficient network in any case. That model would, for example, need to include 10GigE hand over connections. These interfaces are already being used by Chorus and RSPs and reflect an efficient network design. Ideally, the Commission would adjust the pricing categories as part of the FPP process to align specific charges with efficient network costs. However, if the Commission considered that this was not possible, the FPP model should include efficient 10GigE interfaces and the Commission can consider whether a s30R review is necessary.
34. In terms of bulk rates, we agree it is open to the Commission to provide a bulk rate for UBA connections in the same way as such rates apply to UCLL. However, we recommend that Commission, instead, consider replacing the bulk rate for connections with a cost based price on application (**POA**) option for bulk network migrations. Efficiencies from batching up service orders should be reflected in transaction charges in any case. Chorus and service companies are best placed to bulk up and make the most of efficiencies through batching transactions and these should be reflected in lower transaction charges. Further, WIK has proposed a formula with lower prices to reflect efficiencies from bulk migrations. Pragmatically, the Commission is unlikely to have the necessary information in the time available and, therefore, we recommend a POA model (**POA**) with a cost based obligation.

Question 9: Are there any charges you consider should be merged into the monthly charges or re-classified in some other way? (Please also provide comments in response to paragraph 44 under this question.)

35. As set out above, we recommend that the Commission:
- a. Provide for 10GigE connections. If this were not possible at this stage, the FPP model should at least model the cost of these connections as part of an efficient model; and
 - b. Consider changing the approach to bulk transactions (building any efficiencies in to BAU service order charges and including a POA option for bulk migrations).
36. In terms of merging some transaction charges, as WIK note, time is the key determinant of cost. It's difficult to identify which charges should be merged as the service company charges involve a degree of averaging. A bottom up cost study may throw up significant differences in cost that should be reflected in transaction charges. However, on the basis of what we currently know, the Commission could consider merged categories (set out in Attachment 1):
- a. Hand over connection installations incur similar work irrespective of the services that run over them and could be merged in to a single hand over connection charge covering all technologies; and
 - b. A number of UBA charges could be merged, for example, those relating to a port change at the cabinet or exchange and those where a records only change is required.

Question 10: Please provide your understanding of what is involved in providing each transaction and the associated costs.

37. Attached at attachment 3 is an analysis of activity for the key transactions. The key assumptions that underpin this analysis are that:
- a. The connections are incremental to Chorus developer charges. Chorus charges for the connection of new dwellings to the network and requires the developer, for example, to provide an open trench and reinstatement. Therefore, a new connection relates to connecting the already laid cable to the external termination point at the home; and
 - b. Chorus is best placed and should be responsible for maintaining capacity in the access network. This means that, for example, where there is a reconnection to the network and network re-arrangement is required - because the line has been redeployed to another customer or left in a faulty condition - this cost would not be charged to the connection. This issue is set out more fully in our submissions relating on the UBA pricing review.¹
38. We do not have recent service company costs for each of the relevant activities. However, we have additional technical cost information relating to:
- a. The cost per port on a handover data switch for use in setting handover connection charges and can provide an estimate to the Commission for 1GigE and 10GigE connections. We are happy to provide this information to the Commission; and

¹ See Telecom UBA price review cross submission 14 September 2012 [paras 30-34].

- b. The cost to provide a records only transaction. There is evidence to suggest the IPP based cost of \$15.85 overstates the cost of an automated transactions. While a bottom up cost estimate should be developed, we can refer to activity costs identified for the purposes of the original STD prices. The cost of automated transaction was \$4.82 and, if expected cost reductions were applied, this suggests an updated cost based charge of around \$3.17.² Further, as an additional cross check, we charge []SparkNZCI per number portability port (a more complex transaction).

Question 11: Do you have any other comments on the topics discussed in this paper?

39. No further comments.

END

² See Telecom UBA price review submission 1 February 2013

Attachment 1: Annotated appendix from consultation paper

Appendix - charges we consider we must set prices for in the FPP determinations Charge (with reference to number in the relevant STD)	Price set in the IPP	Spark NZ Comment
UBA		
UBA Service Recurring Charges:		
2.1 BUBA monthly charge	\$10.92 + UCLL = \$34.44	
2.3 EUBA 40 monthly charge	\$13.25 + UCLL = \$36.77	
2.4 EUBA 90 monthly charge	\$13.82 + UCLL = \$37.34	
2.5 EUBA 180 monthly charge	\$14.85 + UCLL = \$38.37	
<i>With POTS services:</i>		
2.2 BUBA with POTS monthly charge	\$10.92 + UCLL = \$34.44	
2.6 EUBA 40 with POTS monthly charge	\$13.25 + UCLL = \$36.77	
2.7 EUBA 90 with POTS monthly charge	\$13.82 + UCLL = \$37.34	
2.8 EUBA 180 with POTS monthly charge	\$14.85 + UCLL = \$38.37	
2.9 BUBA Handover Connection monthly charge – GigE.	\$2.752.22 (based on underlying service costs)	
2.10 EUBA Handover Connection monthly charge – GigE capacity.	\$212.30 (based on underlying service costs)	
[New] EUBA Handover Connection monthly charge – 10GigE capacity.	[\$300.00 - refer to UFB]	
2.11 Handover Connection monthly charge – STM1 capacity.	\$893.30 (based on underlying service costs)	
2.12 Handover Connection monthly charge – STM4 capacity.	\$2.355.08 (based on underlying service costs)	
2.13 Handover fibre space rental charge	\$27.09	
UBA Service Transaction Charges:		
1.1 New connection - no site visit required (remote connection)	\$15.85	
1.1 New connection - exchange or cabinet visit required	\$73.51	
1.1 New connection - site visit required	\$169.73	
1.50 Additional charge for wiring	POA (could not benchmark)	Should be established in FPP process.
1.50 Modem installation	\$38.01 (could not benchmark)	
<i>Hand over connection installation charges:</i>		
1.42 BUBA Handover Connection Installation – GigE capacity	\$543.26 (service company cost)	These could be merged in to a single connection installation charge, agnostic of capacity (including 10GigE handover option).
1.43 EUBA Handover Connection Installation – GigE capacity.	\$543.26 (service company cost)	
[New] EUBA Handover Connection Installation – 10GigE	\$543.26 (service company cost)	
1.44 Handover Connection Installation – STM1 capacity	\$542.26 (service company cost)	

Appendix - charges we consider we must set prices for in the FPP determinations Charge (with reference to number in the relevant STD)	Price set in the IPP	Spark NZ Comment	
1.45 Handover Connection Installation – STM4 capacity.	\$543.26 (service company cost)		
1.48 Re-mapping Design Charge.	\$1896.68 (estimated material and labour cost)		
1.49 Access Re-Mapping Fee.	\$1.13 per end user (estimated cost)		
<i>Charges with port change at the DSLAM:</i>			
1.9 Other broadband service to any UBA service change plan	\$73.51	We support the Commission proposal, 1.9 – 1.36 all involve essentially the same activity and could be signalled as a single service, i.e. where a port change is required.	
1.10 Any UBA service to any other UBA service change plan	\$73.51		
1.31 Transfer of Basic UBA Service from an Access Seeker to a Basic UBA Service with another Access Seeker	\$73.51		
1.32 Transfer of Basic UBA Service from an Access Seeker to an Enhanced UBA Service with another Access Seeker	\$73.51		
1.33 Transfer of EUBA Service from an Access Seeker to a BUBA Service with another Access Seeker	\$73.51		
1.34 Transfer of EUBA Service from an Access Seeker to an EUBA Service with another Access Seeker	\$73.51		
1.35 Transfer of other broadband service from an Access Seeker to a Basic UBA Service with another Access Seeker	\$73.51		
1.36 Transfer of other broadband service from an Access Seeker to an Enhanced UBA Service with another Access Seeker	\$73.51		
<i>Charges with no port change at the DSLAM:</i>			
1.9 Other broadband service to any UBA service change plan	\$15.85		We support the Commission proposal, 1.9 – 1.36 all involve essentially the same activity, i.e. a records change is required.
1.10 Any UBA service to any other UBA service change plan	\$15.85		
1.31 Transfer of Basic UBA Service from an Access Seeker to a Basic UBA Service with another Access Seeker	\$15.85		
1.32 Transfer of Basic UBA Service from an Access Seeker to an Enhanced UBA Service with another Access Seeker	\$15.85	However, this does not appear to align with the likely cost of an automated transaction.	
1.33 Transfer of EUBA Service from an Access Seeker to a BUBA Service with another Access Seeker	\$15.85		

Appendix - charges we consider we must set prices for in the FPP determinations Charge (with reference to number in the relevant STD)	Price set in the IPP	Spark NZ Comment
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1.34 Transfer of EUBA Service from an Access Seeker to an EUBA Service with another Access Seeker	\$15.85	
1.35 Transfer of other broadband service from an Access Seeker to a Basic UBA Service with another Access Seeker	\$15.85	
1.36 Transfer of other broadband service from an Access Seeker to an Enhanced UBA Service with another Access Seeker	\$15.85	
1.39 UBA service relinquishment	No charge	
1.40 UBA service move address	Aligned with connection charges at 1.1	
1.41 Data interleaving toggle	\$15.85	

UBA POA Service Transaction Charges:

1.37 Exception to BAU Order.	POA (actual costs incurred)
1.46 Relinquishment of Access Seeker Handover Connection.	POA (actual costs incurred)
1.47 Handover Fibre Installation.	POA (actual costs incurred)
[New] Bulk transfers between Chorus services (over 50 end users)	POA (actual costs incurred)

UCLL

UCLL Service Recurring Charges:

2.1 Geographically averaged monthly rental	\$23.52 Applies from 1 December 2014
2.1 Urban monthly rental	\$19.08 Applies until 30 November 2014
2.1 Non-urban monthly rental	\$35.20 Applies until 30 November 2014
2.2 Remote Tie Cable Service space rental charge	\$27.09

UCLL Service Transaction Charges:

Individual rates:

1.1 MPF new connection - individual new connection where site visit required	\$155.10
1.1 MPF new connection - individual new connection where no site visit required	\$70.46
1.2 MPF transfer - individual transfer	\$70.46
1.3 Other service to MPF transfer - individual transfer	\$70.46

Appendix - charges we consider we must set prices for in the FPP determinations Charge (with reference to number in the relevant STD)	Price set in the IPP	Spark NZ Comment
1.7 MPF Relinquishment	No charge	
1.8 MPF Move Address	\$25.60 (project management cost)	
<i>Bulk rates (bulk rate for 20 or more simultaneous new connections at the same exchange):</i>		
1.1 MPF new connection - where no site visit required	\$52.84	
1.2 MPF transfer	\$52.84	
1.3 Other service to MPF transfer	\$52.84	
UCLL Service POA Transaction Charges:		
1.4 Bulk Transfer – project management	POA (actual costs incurred)	
1.5 Exception to BAU Support	POA (actual costs incurred)	
1.6 Bulk line transfer for a single End User support	POA (actual costs incurred)	
1.9 Remote Tie Cable Service installation	POA (actual costs incurred)	
SLU		
SLU Service Recurring Charges:		
2.1 Geographically averaged monthly rental	\$14.21 Applies from 1 December 2014	
2.1 Urban monthly rental	\$11.52 Applies until 30 November 2014	
2.1 Non-urban monthly rental	\$21.26 Applies until 30 November 2014	

Attachment 2: Transparency requirements

40. Transparency should be provided to both assure bills and assess the efficiency in which transactions are provided.
41. This is the information required by us to assure the bill. Accordingly, provision of the information should be a pre-condition for Chorus to be apply to apply a transaction charge. For example, the necessary information could relate to:
 - a. Connections (Provisioning)
 - i. Where the connection occurred (not provided currently). This would enable RSPs to align delivery of services at a particular physical location.
 - ii. What the specific circuit connected was (provided). We currently get this as a non-reusable reference called an "ASID" (Access Seeker Identifier). Example = "1624724016"
 - iii. What service (provided). Example = "3IWOU" with a description of "Convert Connection Only to C&W" which indicates that a \$0.00 (no truck roll) connection of a UBA service was 'upgraded' by Chorus to a truck roll (Connection and Wiring) event @ \$145.05.
 - iv. Why the charge occurred (not provided currently). There is nothing to indicate the level of 'intact-ness' of the network to support the connection of the service. This is key because without knowing this the RSP is unable to determine whether the service is intact or a connection charge applies.
 - v. When the connection occurred (provided for some but not all transactions). Service Delivery Date should be provided for all transactions as it is the data that the billing window (180 days) for Chorus is calculated from.
 - vi. Site Documentation (not easily available). When a connection event generates technician tasks at the site requiring entry to the premises the RSP can find it difficult to obtain supporting documentation in a timely fashion. This data may be necessary to support enquiries from OSH, Privacy and QoS perspectives as well as to support onbilling for additional services provided to the end-customer.
 - b. Faults (UBA Reactive Maintenance)
 - i. Where the fault occurred (not provided currently). This would enable RSPs to align delivery of services at a particular physical location to better manage quality of service to the end-customer i.e. are we seeing multiple faults at 123 Somewhere Lane, Nosville...
 - ii. What specific circuit was fixed (provided). We get this as a non-reusable circuit reference called an "ASID" (Access Seeker Identifier). Example = "1624724016". It is referred to as non-reusable because it is only valid for the duration of the end-customer/circuit combination. When the customer changes at the address the ASID changes – so...no reliable continuity.
 - iii. What service (provided). Example = "4INFF" with a description of "Diagnosis fee no fault found" which indicates that a fault was investigated but no fault in the CHORUS network was identified.

- iv. Why the charge occurred (not provided currently). Under the Baseband and Field Services trades we receive a 'Trouble Found Code' (& Description) which enables the RSP, if they wish, to generate a customer facing charge to recover costs if the root cause was under the control & responsibility of the end-customer. For example if the cause is diagnosed to a faulty customer modem.
 - v. When the connection occurred (provided for some but not all transactions). Service Delivery Date should be provided for all transactions as it is the data that the billing window (180 days) for Chorus is calculated from.
 - vi. Site Documentation (not easily available). When a fault event generates technician tasks at the site requiring entry to the premises the RSP can find it difficult to obtain supporting documentation in a timely fashion. This data may be necessary to support enquiries from OSH, Privacy and QoS perspectives as well as to support on billing for additional services provided to the end-customer.
42. We are further considering the information that could be provided relating to network faults. At this stage, around 25% of customer reported faults are charged to RSPs as no fault found or cancelled truck rolls. A clear definition of when cost responsibility transfers from one party to another and cause of charged truck rolls will promote efficient maintenance of the network. For example, incentives to maintain the network are lessened where the access provider does not face the full costs of such faults through straight pass through of fault costs to RSPs.

Attachment 3: Activity based analysis (main activities)

This table sets out common activity which suggests a consistent charge (we are not recommending UBA/UCLL charged be merged).

Service	Description of activity	Reference	Activity categories														
			Connection of service lead at pillar/pole/MDU/BDD pit	Jumping at MDU building distribution frame or conn	Jumping at passive cabinet	Jumping at exchange or active cabinet (sub loop)#	Configure DSLAM	Install splitter	Change billing and update records								
UBA, UCLL	1.1a New connection with site visit (the technician is required to visit the end user premises in order to connect the premises wiring to the network)*^	UCLL 1.1, UBA 1.1, UBA 1.40^^	X	X	X	X	[X]	[X]	X								
UBA, UCLL	1.1b Reconnection: site visit to exchange/cabinet or pillar	UCLL 1.1, UBA 1.1, UBA 1.40				X	[X]	[X]	X								
UBA, UCLL	1.1c Reconnection: without site visit (remote connection)**	UCLL 1.1, UBA 1.1, UBA 1.40							X								
UCLL	1.2 MPF Transfer	Equivalent to UCLL 1.3 & 1.7				X			X								
UCLL	1.3 Other Service to MPF Transfer	Equivalent to UCLL 1.2 & 1.7				X			X								
UCLL	1.7 MPF Relinquishment***								X								
UBA	1.9a Other BB service to any UBA service plan - with port change.	Equivalent to UBA 1.10, 1.31, 1.32, 1.33, 1.34, 1.35, 1.36, 1.39 & 1.41				X	X		X								
UBA	1.9b/1.10 Other BB service to any UBA service plan - without port change.	Equivalent to UBA 1.09, 1.31, 1.32, 1.33, 1.34, 1.35, 1.36, 1.39 & 1.41						X	X								
UBA	1.31 Transfer of Basic UBA Service from an Access Seeker to a Basic UBA Service with another Access Seeker	Equivalent to UBA 1.09, 1.10, 1.32, 1.33, 1.34, 1.35, 1.36, 1.39 & 1.41						X	X								
UBA	1.39 UBA Service Relinquishment							X	X								
UBA	1.41 Data Interleaving Toggle.	Equivalent to UBA 1.09, 1.10, 1.31, 1.32, 1.33, 1.34, 1.35, 1.36 & 1.39						X	X								
	# jumpering to all relevant equipment at the site.																
	*Additional activity following development phase, i.e. developers pay Chorus charges and provide open trenches at time dwelling is built.																
	If an active cabinet, then this would be SLU. If a passive cabinet, then would be UCLL.																
	**Chorus shouldn't break down circuits as part of an RQ, therefore, there should be no cost.																
	*** There is currently no fee to disconnect and therefore this is likely recovered as part of the connection charges. We'd support the status quo.																
	^ Plus house wiring/splitter of \$35 and \$modem of \$38 if necessary.																
	^^UBA move address is combination of RQ/New																
	[x] required for a UBA install																

Attachment 3: WIK Consult report

Provided to the Commission as a separate document.